

Engagement Policy Implementation Statement for the Year Ended 31 March 2026

Thomson-Leng Superannuation Fund

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Section 1

Introduction

This Statement sets out how, and the extent to which, the Fund's Engagement Policy in the Statement of Investment Principles ("SIP") produced by the Trustee has been followed during the year running from 1 April 2025 to 31 March 2026 (the "Fund Year"). This Statement has been produced in accordance with the Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the statutory guidance on reporting on stewardship in the implementation statement dated 17 June 2022.

The Statement is based on, and should be read in conjunction with, the SIP that was in place for the Fund Year, which is the SIP dated September 2022.

Sections 2.1 and 2.2 of this Statement set out the investment objectives of the Fund and changes which have been made to the Engagement Policy during the Fund Year, respectively.

A copy of the SIP containing the Engagement Policy is available at <https://www.dcthomson.co.uk/pension-fund-information/>.

Section 3 of this Statement provides some highlights of the activity undertaken by the Trustee in relation to Responsible Investment and Environmental, Social and Governance (ESG) over the Fund Year.

Sections 4 and 5 include information on the engagement and key voting activities of the underlying investment managers of the Fund, and also sets out how the Fund's engagement and voting policy has been followed during the Fund Year in respect of the Fund's assets.

The Trustee can confirm that all policies in the SIP on engagement in relation to the Fund's assets have been followed during the Fund Year.

Section 2

Statement of Investment Principles

Investment Objectives of the Fund

The Trustee believes it is important to consider the policies in place in the context of the objectives they have set.

The Trustee's primary objective is to make sure the Fund can meet its obligations to the beneficiaries of the Fund. At a minimum this means paying members the value of their accrued account increased in line with the Fund's investment income at retirement. Discretionary contributions may also be allocated to member accounts by the Company in order to help member accounts reach their aspirational levels although this is not guaranteed.

Accordingly, the key long-term objective of the Trustee is to generate a strong return on investments with an emphasis on income generation.

The Trustee has also considered the need for liquidity within the investment arrangements to ensure they can pay benefits as they fall due and the need to understand the future cashflow profile of the Fund when agreeing to proposed discretionary increases.

Review of the SIP

During the Fund year, the Trustee reviewed the Fund's SIP at the Trustee meeting in September 2025, taking formal advice from its Investment Consultant (Mercer Limited ("Mercer")), and agreed no changes were needed to the current Statement in place.

Section 3

Environmental, Social and Governance (“ESG”)

Policy

The Fund’s SIP includes the Trustee’s policy on ESG factors, stewardship and climate change. Further details are included in Section 7 of the SIP. This policy sets out the Trustee’s beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. In summary, The Trustee believes that Environmental, Social and Governance (ESG) factors can have an impact on investment risk and return outcomes. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration. The Trustee has given its appointed investment manager full discretion in evaluating ESG factors and exercising the voting rights and stewardship obligations attached to the investments, for the Fund’s directly-held securities. The Trustee also recognises that as the investment manager invests assets in pooled funds and investment trusts, these assets are subject to the Responsible Investment and Corporate Governance policies of the individual underlying investment managers which are monitored by the investment managers.

How has this policy been met over the Fund Year?

The Pension Schemes Act 2021 introduced legislation requiring specified pension schemes to ensure there is effective governance with respect to the effects of climate change.

In order to establish its beliefs and produce the SIP policy, the Trustee undertook investment training provided by the investment consultant on responsible investment. The training covered ESG factors, stewardship, climate change and ethical investing. This training was provided at the December 2020 Trustee meeting. At this meeting, the Trustee’s investment beliefs were discussed with the investment consultant and investment manager to assist the Trustee with establishing their policy in this area. Following the discussions at the Trustee meeting, the updated policies were incorporated into the SIP agreed in September 2020. The Trustee keeps policies under regular review with the SIP subject to review at least triennially. At the June 2023 Trustee meeting, the Trustee agreed that it would be helpful to start to consider what, as a group, their ESG and climate change views and beliefs are to help them develop a Trustee Board policy on ESG and climate change. The Trustee and Wm Thomson & Sons (“Wm

Thomson", the Fund's investment manager) in conjunction with Mercer completed an ESG belief questionnaire to collate the Trustee Board's views and objectives on ESG issues. The work on this policy was concluded over 2025.

The Trustee has delegated responsibility for the selection, retention, and realisation of investments to their investment manager and accordingly, the Trustee seeks to manage the risks and opportunities associated with these ESG factors through their investment manager selecting industry leaders in investment management, for indirect holdings, who are committed to the Principles for Responsible Investment ("UNPRI") (as they apply to the sector in which the manager invests or the strategy pursued by the manager) and against criteria which include ESG considerations. ESG and the level of integration will differ across asset classes and by investment manager.

The Trustee does not require the Fund's investment managers to take non-financial matters into account in their selection, retention and realisation of investments.

The Trustee has given Wm Thomson, the appointed investment manager, full discretion in evaluating how ESG factors, including climate change considerations are taken into account in selecting and retaining the Fund's investments. This policy sets out the Trustee's beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship.

During the Fund Year, Mercer prepared dedicated ESG and sustainable investment training for the Trustee Directors. The training covered the results of the 2023 ESG Beliefs Survey, key definitions and approaches to sustainable investment, why ESG factors are financially material to an investment portfolio, Mercer's approach to sustainable investment, and specific ESG examples. The Trustees also considered whether their ESG beliefs remained unchanged in light of the material presented.

Following this training, the Trustee confirmed the policy remained appropriate for the Fund's current investment arrangements and is satisfied that this policy has been followed over the Fund Year.

Section 4

Engagement Activity by the Fund's Investment Managers

The following are examples of engagement activity undertaken by the Fund's Equity investment managers, where relevant. We have shown engagement activity undertaken by Redwheel as the largest allocation to an individual investment manager in the Fund is held in the Temple Bar Investment Trust (the "Trust").

See section 5 for more details on how the Trustee's policies on engagement have been implemented, as well as its policies on the exercise of investment rights (including voting).

The Trust engaged with Shell, one of the largest greenhouse gas emitters identified by the Climate Action 100+ coalition.

A shareholder resolution was filed at Shell's AGM by a coalition of investors including Brunel Pension Partnership, Greater Manchester Pension Fund and Merseyside Pension Fund and the Australasian Centre for Corporate Responsibility ("ACCR"), which focused on Shell's LNG strategy, how it aligns with the company's climate commitments, and whether Shell's forecast for LNG demand growth is consistent with IEA net zero scenarios.

The Trust met with Shell's CFO and subsequently the Chairman to appraise the resolution and also engaged with the filers through the Shell CA100+ Collaboration and an ACCR webinar. The Trust voted against the resolution, but following a commitment from Shell to engage further, met with the company again in November 2025. Shell committed to producing a single disclosure document to help investors understand its LNG strategy and how it reconciles with its broader climate commitments. The Trust will review this document once available and re-engage if required.

Section 5

Voting and Engagement Disclosures

The exercise of the rights (including voting rights) attaching to the investments and undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the Trustee would monitor and engage with relevant persons about relevant matters).

Policy

The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to the Fund's directly-held investments to the appointed investment manager, Wm Thomson. In addition, it is the Trustee's policy to obtain reporting on voting and engagement and periodically review the reports to ensure the policies are being met. Further details are set out in Section 8 (Engagement with the Investment Manager) of the SIP.

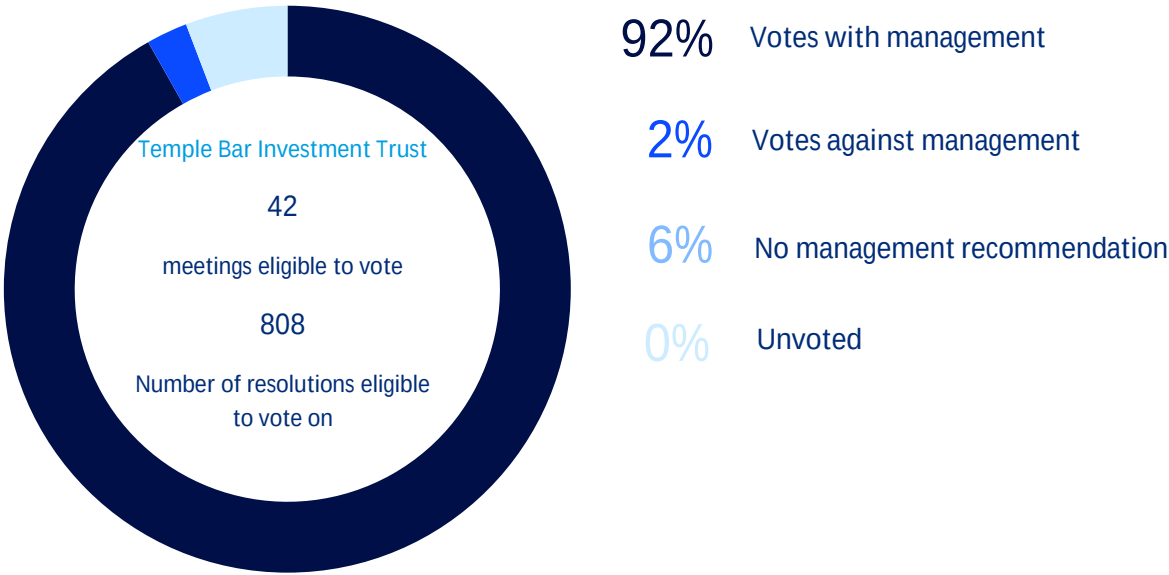
How has this policy been met over the Fund Year?

Over the year to 31 March 2026, voting and engagement summary reports from the Fund's investment managers were available to the Investment Committee for review to ensure that they were aligned with the Trustee's policy. The Trustee does not use the direct services of a proxy voter.

The Trustee supports the aims of the UK Stewardship Code, and its investment managers are encouraged to report their adherence to the Code. The Fund's investment manager, Wm Thomson, is not a signatory to the current UK Stewardship Code.

Voting Activity during the Fund year

Set out below is a sample of voting activity for this reporting period and overleaf a sample of the most significant votes cast on behalf of the Trustee by the Temple Bar Investment Trust, the Fund's largest collective investment vehicle holding:



Source: Wm Thomson & Sons, data may not sum due to rounding.

Set out below is a sample of voting activity for this reporting period on behalf of the Trustee by the Temple Bar Investment Trust, the Fund's largest collective investment vehicle holding. The companies shown are listed in descending order as a % holding in the Trust, starting with the largest.

Company	Number of Proposals eligible to vote on	Date of vote	Vote Instruction
Johnson Matthey plc	20	17/07/2025	For 20 proposals
Shell plc	22	20/05/2025	For 21 proposals. Against 1 proposal.
			The Trust voted against a request that the company disclose whether and how its demand forecast for liquefied natural gas ("LNG"); LNG production and sales targets and new capital expenditure in natural gas assets are consistent with climate commitments, including target to reach net zero emissions by 2025.
BT Group plc	24	10/07/2025	For 24 proposals
NatWest Group plc	27	23/04/2025	For 27 proposals
WPP plc	22	23/05/2025	For 22 proposals
NN Group NV	22	15/05/2025	For 17 proposals. Not voted 5 proposals.

Company	Number of Proposals eligible to vote on	Date of vote	Vote Instruction
BP plc	24	17/04/2025	For 23 proposals. Against 1 proposal.
			The Trust voted against the re-election of Helge Lund as Director.
ITV plc	21	13/05/2025	For 21 proposals
Aviva	31	30/04/2025	For 31 proposals
Marks & Spencer Group plc	27	01/07/2025	For 26 proposals. Against 1 proposal.
			The Trust voted against a proposal to oversee the preparation of a report to provide investors the information needed to assess the company's approach to human capital management.

Source: Temple Bar Investment Trust and Wm Thomson & Sons.

Most significant votes

For the purposes of this report, a significant holding is defined as being the top three direct equities by market value at 31 March 2026. The top three direct equity holdings on 31 March 2026 were Shell plc, SSE plc and BP plc. The priority themes being focused on in this slide are:

- Climate Change: including low-carbon transition and physical damages resilience,
- Human Rights: including modern slavery, pay and safety in the workforce and supply chains; and
- Diversity, Equity and Inclusion: including inclusive and diverse decision making.

✗ Resolution not passed ✓ Resolution passed

Company	Approximate size of the holding in the Fund (%)	Date of vote	Resolution	How the Manager voted	Rationale of Manager vote	Final outcome following the vote	Significant Vote Theme
Shell plc	2.66	20/05/2025	Approve Remuneration Report	For	Pay outcomes have generally been aligned with company performance and comparable to similar companies. One area of note: for the long-term incentive plan, the relative Total Shareholder Return ("TSR") element, which measures Shell's share price and dividend performance against a group of peer companies, pays out a relatively high proportion of the maximum award even at the minimum	✓	Human Rights (Pay)

Company	Approximate size of the holding in the Fund (%)	Date of vote	Resolution	How the Manager voted	Rationale of Manager vote	Final outcome following the vote	Significant Vote Theme
					performance level required. This is largely a result of Shell's peer group being small, consisting of just four other major oil companies. A reasonable case was put forward that this is nonetheless an appropriate group to compare against.		
Shell plc	2.66	20/05/2025	Election or re-election of directors	For	No issues identified. 42% of proposed individuals are female, considered sufficiently diverse.	✓	Diversity, Equity and Inclusion
Shell plc	2.66	20/05/2025	Shareholder Resolution on Climate Change Targets	Against	This resolution was filed by a group of responsible investment organisations and pension funds – including the Australasian Centre for Corporate Responsibility (“ACCR”), UK-based responsible investment NGO ShareAction, Brunel Pension Partnership, Greater Manchester Pension Fund and Merseyside Pension Fund, together with more than one hundred individual shareholders. The resolution called for greater disclosure on Shell's LNG strategy and how it aligns with the company's climate commitments. Shell's position is that it already provides extensive disclosure on its LNG strategy across a range of publications, including its	✗	Climate Change

Company	Approximate size of the holding in the Fund (%)	Date of vote	Resolution	How the Manager voted	Rationale of Manager vote	Final outcome following the vote	Significant Vote Theme
					Annual Report, Energy Transition Strategy, LNG Outlook, quarterly results and Capital Markets Day presentations. The manager voted against the resolution on this basis. The resolution did not pass.		
SSE plc	2.27	17/07/2025	Approve the Remuneration Report	For	Pay outcomes have generally been aligned with company performance and comparable to similar companies.	✓	Human Rights (Pay)
SSE plc	2.27	17/07/2025	Election or re-election of directors	For	No concerns were identified with any of the individuals proposed. It was noted that 45% of the candidates were female, which was considered a sufficiently diverse board composition.	✓	Diversity, Equity and Inclusion
SSE plc	2.27	17/07/2025	Approve Net Zero Transition Report	For	SSE has committed to publishing a standalone report on its progress towards net zero every three years, with annual progress updates in between. Its targets are aligned with a 1.5°C global warming pathway, as validated by the Science Based Targets initiative ("SBTi"), which is an independent body that assesses whether corporate climate targets are consistent with climate science.	✓	Climate change

Company	Approximate size of the holding in the Fund (%)	Date of vote	Resolution	How the Manager voted	Rationale of Manager vote	Final outcome following the vote	Significant Vote Theme
					The company remains committed to investing around £17.5 billion over the five years to financial year 2027, though this is a reduction from its previous plan of £20 billion.		
BP plc	2.01	17/04/2025	Approve Remuneration Report	For	Bonuses paid to both Executive Directors were 22.5% of the maximum they could have received, which was noticeably lower than the prior year. The bonuses were calculated using set formulas tied to safety and sustainability targets. None of the financial or operational targets reached the minimum level required to trigger a payout, reflecting the difficult trading conditions the company faced during the year. Overall, pay and bonuses have broadly reflected the company's performance, and appear consistent with the profit and Return on Capital Employed figures reported. For the next long-term incentive plan award, the proportion tied to Total Shareholder Return ("TSR") will increase from 20% to 25%. TSR measures the total return to	✓	Human Rights (Pay)

Company	Approximate size of the holding in the Fund (%)	Date of vote	Resolution	How the Manager voted	Rationale of Manager vote	Final outcome following the vote	Significant Vote Theme
					shareholders from share price growth and dividends, and is a straightforward metric to compare across companies. TSR is considered a more transparent metric.		
BP plc	2.01	17/04/2025	Election or re-election of directors	For	No issues were identified with any individual, and it is noted that 6 of the 12 proposed individuals are female, which is considered sufficiently diverse.	✓	Diversity, Equity and Inclusion

Source: Wm Thomson & Sons

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